

COMMITTEE ON FINANCIAL INSTITUTIONS AND INSURANCE

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* Strike-everything Amendment
[E] Emergency Clause
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HB 2091 – Chapter 291 – financial transactions; requirements; exemptions

Adds, for the purpose of civil remedies, bringing in, transporting or harboring someone in the United States illegally for the purpose of financial gain of over \$5,000 in a one month period, to the definition of racketeering. In cases of forfeiture of property, the conduct must involve more than three undocumented individuals in a one-month period and in cases of forfeiture of real property, the conduct must involve more than 15 undocumented individuals in one month.

HB 2224 – Chapter 68 – *insurers; claim files; confidentiality

Makes confidential an insurer's claim file information maintained by the Director of the Department of Insurance. The information is not subject to subpoena or disclosure unless subpoenaed by the Attorney General, a county attorney, a law enforcement agency or a state or federal government agency. The Director is required to make a reasonable effort to notify an insurer of any subpoena for information or documents so that an insurer may assert any legal privileges.

HB 2228 – Chapter 30 – charitable gift annuities; disclosures

Requires a charitable organization, upon entrance into an agreement for a charitable gift annuity, to have a minimum of \$300,000 unrestricted cash or securities funding the agreement, to have been in continuous operation for at least three years and to have had an annual audit of its operations for the past two fiscal years. Requires any person offering a charitable gift annuity to provide specific information in writing to a donor prior to entering into an agreement and prohibits a person from directly or indirectly paying or accepting a commission in connection with the solicitation or negotiation of a charitable gift annuity, excluding regular employee compensation.

Allows a donor to bring action against a charitable organization for violations of the law and specifies that the donor is allowed to recover the amount of the consideration paid for the charitable gift annuity, with interest, taxable court costs and reasonable attorney fees minus the amount of income received from the charitable gift annuity.

HB 2232 – Chapter 162 – insurance producer licenses; renewal

Extends the validation period of an insurance producer license from two years to four years. Makes various modifications to laws regulating insurance producer licensing including:

- Adjusts continuing education requirements to reflect the addition two year validation period for all licensees who at any time during the license period holds a current nonresident license to transact insurance in another state.
- Extends from six months to one year the period in which a producer who voluntarily surrenders a license is prohibited from reapplying for the license.
- Extends the period in which a qualified applicant can renew an expired license from six months to a year.
- Allows the director of DOI to make licenses available electronically.

HB 2233 – Chapter 31 – consumer reporting agency; information disclosure

Prohibits consumer-reporting agencies from providing or selling any personal or privileged information received through an insurance transaction.

HB 2235 – Chapter 32 – captive insurers; formation

Allows a non-profit corporation to form a captive insurer and allows them to use third party consultants, in addition to employees, to act as the industry group's insurance manager.

HB 2239 – Chapter 119 – annuities; standard non-forfeiture law

Conforms Arizona law regulating the minimum non-forfeiture interest rates currently set at one and one-half percent to the National Association of Insurance Commissioners (NAIC) indexed interest rate model. The NAIC model is an indexed minimum based on the five year Constant Maturity Treasury rate.

HB 2240 – Chapter 33 – state banking department; continuation

Continues the State Banking Department for another 10 years until July 01, 2014.

HB 2241 – Chapter 188 – department of financial institutions

Changes the name of the State Banking Department to Department of Financial Institutions and changes the required qualification of the superintendent from five years active experience in the banking business to five years active experience in the financial institution business.

HB 2270 – Chapter 317 – rental car insurance; damage waiver

Codifies that a collision damage waiver offered by a rental car company is not insurance and clarifies that rental car agents do not have to comply with insurance producer licensing continuing education requirements.

HB 2313 – Chapter 244 – insurance policies; annuity contracts; replacement

Makes clarifying changes to laws regulating the replacement of life insurance and annuity contracts recommended by the National Association of Insurance Commissioners (NAIC).

HB 2324 – Chapter 201 – *creditors; life insurance proceeds

Fully exempts life, health or accident insurance policies and employer or individual annuity contracts, including the cash value, from debt liability. The exemption does not apply in cases of bankruptcy, fraud or debt secured by the cash value of a policy or contract.

HB 2370 – Chapter 164 – life insurance; association groups

Allows association groups and a trust or the trustees of an association fund established and maintained for the benefit of an association, to provide group life insurance for their employees.

HB 2516 – Chapter 148 – restoration of uniform trust code

Repeals the Uniform Trust Code (UTC), restores laws that regulated trusts prior to the adoption of the UTC.

HB 2547 – Chapter 149 – insurance inquiries; use by insurer

Prohibits an insurance company from considering an inquiry about the terms and coverage of a policy as a claim and a basis for declining or canceling insurance coverage and specifies that an inquiry is not a claim unless a filed claim results in an investigation of the claim.

HB 2551 – Chapter 211 – insurance; utilization review agent; qualification

Removes the requirement that the Director of the Department of Insurance deny a utilization review agent certificate to an individual who employs another individual who has been convicted of a misdemeanor involving moral turpitude.

HB 2684 – Chapter 128 – vehicle protection product warranties

Codifies that a vehicle protection product warranty is not insurance and exempts the warranties from insurance law if certain requirements are met.

SB 1094 – Chapter 5 – unfair claims; medical necessity review

Allows an insurer to apply medical necessity review to a particular type of service or treatment without being in violation of the Unfair Claims Settlement Practices Act.

SB 1238 – Chapter 156 – campaign finance; separate segregated fund

Allows insurers licensed in Arizona to make up to two written solicitations for political contributions from licensed insurance producers with whom they have exclusive contracts to produce insurance business.

SB 1241 – Chapter 226 – vehicle insurance; loss; vendor choice

Requires insurance companies to inform their policyholders of their right to choose any auto glass repair facility and establishes the repeated failure to recognize a valid assignment of claim by an insurer as a violation of law under the Unfair Claim Settlement Practices Act.

SB 1381 – Chapter 159 – group life insurance; eligibility

Decreases from ten to two the required number of employees an employee group must have to be eligible for group life insurance coverage and from twenty-five to two the required numbers of members a labor union group must have to be eligible for group life insurance coverage.